

NEWS  BRIEF

FOR IMMEDIATE RELEASE

Number 91/14

November 14, 1991

IMF says Global Economy Expected to Rebound in 1992

The International Monetary Fund expects the world economy to rebound in 1992, after growing at the slowest rate in nine years during 1991. IMF economists project that global output will rise by 2-3/4 percent next year -- after rising by slightly less than 1 percent in 1991 -- in the October 1991 World Economic Outlook, the complete version of which is now available in English. French and Spanish editions of the report will be available after November 20. The expected rebound in economic activity in 1992 primarily reflects a recovery from recession in North America, the United Kingdom, and some other industrial countries, and also a recovery in the Middle East, reflecting post-war reconstruction in the region, the IMF economists said.

Output in the developing countries as a group is likely to decline by 1/2 of 1 percent this year, most of which is attributable to a sharp contraction of economic activity in Eastern Europe, the U.S.S.R., and the Middle East. IMF economists expect the economic contraction in Eastern Europe to bottom out in 1991, however, with a modest rise in output and employment projected for 1992. But because of the slow progress in implementing economic reforms and continuing uncertainty about the course of economic policy, the economic decline in the U.S.S.R. is likely to continue into 1992. Developing countries, except Eastern Europe and the U.S.S.R., are expected to grow strongly in 1992, by 4-3/4 percent, or about double the pace of 1991.

In addition to providing projections for growth, inflation, and trade for both industrial and developing countries, the October 1991 World Economic Outlook also analyses such questions as: *What are the prospects for employment in Europe? What have been the most visible results of the debt strategy? and What are the consequences of the collapse of trade among the former members of the CMEA?* A comprehensive statistical appendix to the report forms the background for its analysis and conclusions.

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